



MAGNUM PROGRESS UPDATE

Magnum Mining and Exploration Limited (“Magnum” or “Company”) (ASX: MGU) is pleased to provide a progress update, as it remains on track with Phase 1 of the project to commence production of direct shipping ore (DSO 62% and/or 65% fines) in second half of 2021.

Magnum expects the mining plan for Phase 1 (62% DSO) of the project to be available by late July 2021. SRK Consulting, who is responsible for mine planning, contractor selection and production of ore shipments, is preparing the mining plan on behalf of Magnum.

Magnum is currently well funded and has a proposal from Anglo American for US\$8M pre-payment of its ore, which will have no dilution to shareholders. Furthermore, Magnum has received interest from institutional investors seeking investment in Magnum including proposals for debt and equity facility of \$10M to \$20M, to be used on an as needs basis to accelerate project development or for short term funding.

The Magnum board is reviewing the proposals and the process is still early stage and requires further consultation and negotiation with the relevant parties. Magnum will only accept an offer if the proposal has a low cost of capital and minimum dilution to existing shareholders to fast-track development plans and achieve strong early cash flow faster.

A handwritten signature in black ink, appearing to read "John Dinan".

John Dinan
Company Secretary

12 July ,2021

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